

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY



W-02312A
Halcyon Acres Annex #2 Water Co. Inc.
8715 E. 20th St.
Tucson, AZ 85710

RECEIVED

SEP 24 2008

AZ CORP COMM
Director Utilities

ANNUAL REPORT
WATER

FOR YEAR ENDING

12	31	2008
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FOR COMMISSION USE

9-14-09

COMPANY INFORMATION

Company Name (Business Name) Halcyon Acres Annex #2 Water Co., Inc.		
Mailing Address 8715 E. 20th St. <div style="text-align: center; font-size: small;">(Street)</div>		
Tucson <div style="text-align: center; font-size: x-small;">(City)</div>	AZ <div style="text-align: center; font-size: x-small;">(State)</div>	85710 <div style="text-align: center; font-size: x-small;">(Zip)</div>
520-298-2704 <div style="text-align: center; font-size: x-small;">Telephone Number (Include Area Code)</div>	 <div style="text-align: center; font-size: x-small;">Fax No. (Include Area Code)</div>	 <div style="text-align: center; font-size: x-small;">Pager/Cell No. (Include Area Code)</div>
Email Address _____		
Local Office Mailing Address Same as above <div style="text-align: center; font-size: small;">(Street)</div>		
 <div style="text-align: center; font-size: x-small;">(City)</div>	 <div style="text-align: center; font-size: x-small;">(State)</div>	 <div style="text-align: center; font-size: x-small;">(Zip)</div>
 <div style="text-align: center; font-size: x-small;">Local Office Telephone Number (Include Area Code)</div>	 <div style="text-align: center; font-size: x-small;">Fax No. (Include Area Code)</div>	 <div style="text-align: center; font-size: x-small;">Pager/Cell No. (Include Area Code)</div>
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: Walter Gene Wilcox <div style="text-align: center; font-size: small;">(Name)</div>		President <div style="text-align: center; font-size: small;">(Title)</div>	
8715 E. 20th St. <div style="text-align: center; font-size: x-small;">(Street)</div>	Tucson <div style="text-align: center; font-size: x-small;">(City)</div>	AZ <div style="text-align: center; font-size: x-small;">(State)</div>	85710 <div style="text-align: center; font-size: x-small;">(Zip)</div>
520-298-2704 <div style="text-align: center; font-size: x-small;">Telephone Number (Include Area Code)</div>	 <div style="text-align: center; font-size: x-small;">Fax No. (Include Area Code)</div>	 <div style="text-align: center; font-size: x-small;">Pager/Cell No. (Include Area Code)</div>	
Email Address _____			
On Site Manager: Walter Gene Wilcox <div style="text-align: center; font-size: small;">(Name)</div>			
8715 E. 20th St. <div style="text-align: center; font-size: x-small;">(Street)</div>	Tucson <div style="text-align: center; font-size: x-small;">(City)</div>	AZ <div style="text-align: center; font-size: x-small;">(State)</div>	85710 <div style="text-align: center; font-size: x-small;">(Zip)</div>
520-298-2704 <div style="text-align: center; font-size: x-small;">Telephone Number (Include Area Code)</div>	 <div style="text-align: center; font-size: x-small;">Fax No. (Include Area Code)</div>	 <div style="text-align: center; font-size: x-small;">Pager/Cell No. (Include Area Code)</div>	
Email Address _____			

Statutory Agent Walter Gene Wilcox			
(Name)			
8715 E. 20 th St.	Tucson	AZ	85710
(Street)	(City)	(State)	(Zip)
520-298-2704			
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney: Gregory E. Good			
(Name)			
33. N. Stone Ave. #2040	Tucson	AZ	85701
(Street)	(City)	(State)	(Zip)
520-628-8221		520-547-0394	
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

OWNERSHIP INFORMATION

Check the following box that applies to you company:	
<input type="checkbox"/> Sole Proprietor (S) <input type="checkbox"/> Partnership (P) <input type="checkbox"/> Bankruptcy (B) <input type="checkbox"/> Receivership (R) <input type="checkbox"/> Other (Describe) _____	<input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-Op) <input type="checkbox"/> Subchapter S Corporation (Z) <input type="checkbox"/> Association/Co-Op (A) <input type="checkbox"/> Limited Liability Company

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:		
<input type="checkbox"/> APACHE <input type="checkbox"/> GILA <input type="checkbox"/> LA PAZ <input type="checkbox"/> NAVAJO <input type="checkbox"/> SANTA CRUZ <input type="checkbox"/> STATEWIDE	<input type="checkbox"/> COCHISE <input type="checkbox"/> GRAHAM <input type="checkbox"/> MARICOPA <input checked="" type="checkbox"/> PIMA <input type="checkbox"/> YAVAPAI	<input type="checkbox"/> COCONINO <input type="checkbox"/> GREENLEE <input type="checkbox"/> MOHAVE <input type="checkbox"/> PINAL <input type="checkbox"/> YUMA

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	2420	---	2420
304	Structures and Improvements	1760	1760	---
307	Wells and Springs	36679	36236	443
311	Pumping Equipment	6337	6337	---
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	4465	4465	---
331	Transmission and Distribution Mains	21947	21947	---
333	Services	2470	2470	---
334	Meters and Meter Installations	1813	1555	258
335	Hydrants	1000	1000	---
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1019	411	608
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	79910	76181	3729

This amount goes on the Balance Sheet Acct. No. 108

See Accountants' Report.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	2420		
304	Structures and Improvements	1760	3.33%	---
307	Wells and Springs	36679	3.33%	15
311	Pumping Equipment	6337	12.50%	---
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	4465	2.22%	---
331	Transmission and Distribution Mains	21947	2.00%	---
333	Services	2470	3.33%	---
334	Meters and Meter Installations	1813	8.33%	23
335	Hydrants	1000	2.00%	---
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1019	5.00%	32
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	79910		70

This amount goes on Comparative statement of Income and Expense Acct. No. 403.

Less: Amortization of Contribution in Aid of Construction

Depreciation for 2008 is calculated on O.C.L.D.

See Accountants' Report.

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 12543	\$ 19207
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	1571	2415
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 14114	\$ 21622
	FIXED ASSETS		
101	Utility Plant in Service	\$ 79910	\$ 79910
103	Property Held for Future Use		
105	Construction Work in Progress	19979	26922
108	Accumulated Depreciation – Utility Plant	(76111)	(76181)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 23778	\$ 30651
	TOTAL ASSETS	\$ 37892	\$ 52273

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable .	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	330	342
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 330	\$ 342
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes Payable	\$ ---	\$ ---
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	2000	1639
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	10000	10000
272	Less: Amortization of Contributions	(167)	(500)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 11833	\$ 11139
	TOTAL LIABILITIES	\$ 12163	\$ 11481
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 6000	\$ 6000
211	Paid in Capital in Excess of Par Value	11175	11175
215	Retained Earnings	8554	23617
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 25729	\$ 40792
	TOTAL LIABILITIES AND CAPITAL	\$ 37892	\$ 52273

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 26895	\$ 23501
460	Unmetered Water Revenue		
474	Other Water Revenue		
	TOTAL REVENUES	\$ 26895	\$ 23501
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water	905	421
615	Purchased Power	2451	2134
618	Chemicals	752	140
620	Repairs and Maintenance	182	693
621	Office Supplies and Expense	431	346
630	Outside Services	1029	2085
635	Water Testing	773	888
641	Rents		
650	Transportation Expense		
657	Insurance – General Liability	1000	1000
659	Insurance – Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1047	538
403	Depreciation Expense	(91)	(263)
408	Taxes Other Than Income	423	
408.11	Property Taxes	1750	552
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 10652	\$ 8534
	OPERATING INCOME/(LOSS)	\$ 16243	\$ 14967
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income	20	96
426	Miscellaneous Non-Utility Income		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 20	\$ 96
	NET INCOME/(LOSS)	\$ 16263	\$ 15063

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principal	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ ---

Meter Deposits Refunded During the Test Year \$ ---

COMPANY NAME Halcyon Acres Annex #2 Water Co., Inc.

Name of System:

ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
55-5044-18	30 H.P.	130	750'	12"	4"	1983

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (Gpm)	Gallons Purchased or Obtained (in thousands)
Tucson Water	2" line	54,600 gallons

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
		2-1/2" DWARF	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
N/A		5000 gal.	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

See Accountants' Report.

COMPANY NAME	Halcyon Acres Annex #2 Water Co., Inc.
Name of System	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2		
3		
4	AIC	7900
5		
6		
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 x 3/4	36
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

NONE

STRUCTURES:

1 TUFF SHED 6' X 10'

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Halcyon Acres Annex #2 Water Co., Inc.	
Name of System:	ADEQ Public Water System Number:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASES (Thousands)
JANUARY	36	425400	440000	
FEBRUARY	36	361100	382000	54600
MARCH	36	531300	533000	
APRIL	36	705200	785000	
MAY	36	786800	894000	
JUNE	36	921600	964000	
JULY	36	670700	746000	
AUGUST	36	595800	633000	
SEPTEMBER	36	571900	637000	
OCTOBER	36	598000	654000	
NOVEMBER	36	551600	582000	
DECEMBER	36	382300	416000	
TOTAL →		7101700	7666000	54600

What is the level of arsenic for each well on your system? <.001 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? _____ GPM for N/A hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☒ Yes ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME *	
Name of System:	ADEQ Public Water System Number:

UTILITY SHUTOFFS/DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination without Notice R14-2-410.C	OTHER
JANUARY			
FEBRUARY			
MARCH			
APRIL			
MAY			
JUNE			
JULY			
AUGUST			
SEPTEMBER			
OCTOBER			
NOVEMBER			
DECEMBER			
TOTALS →	---	---	

OTHER (description):

PROPERTY TAXES

Amount of actual property taxes paid during Calendar year 2008 was \$ 552

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property tax paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

SEP 14 2009

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY OF (COUNTY NAME))	
Pima	
NAME (OWNER OR OFFICIAL) Walter Gene Wilcox	TITLE President
COMPANY NAME Halcyon Acres Annex #2 Water Co., Inc.	

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

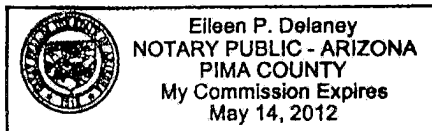
MONTH 12	DAY 31	YEAR 2008
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HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS. PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.




SIGNATURE OF OWNER OR OFFICIAL

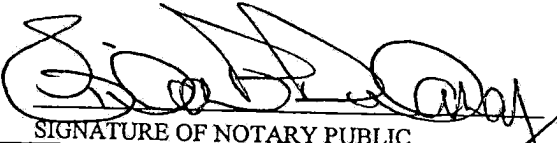
570-798-7704
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS** 11 **DAY OF** MARCH

COUNTY NAME PIMA	
MONTH MARCH	20 <u>09</u>

(SEAL)

MY COMMISSION EXPIRES MAY 14, 2012


SIGNATURE OF NOTARY PUBLIC

See Accountants' Report.

INCOME TAXES

For this reporting period, please provide the following:

Federal Taxable Income Reported _____

Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____

Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____

2000

Amount of Gross-Up Tax Collected _____

Total Grossed-Up Contributions/Advances _____

2000

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

MAR 11/09

DATE

Walter Gene Wilcox

PRINTED NAME

President

TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

RECEIVED

SEP 12 2009

VERIFICATION
STATE OF

Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)

Pima

NAME (OWNER OR OFFICIAL) TITLE

Walter Gene Wilcox, President

COMPANY NAME

Halcyon Acres Annex #2 Water Company, Inc.

Z CORP COMM

Director Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH

12

DAY

31

YEAR

2008

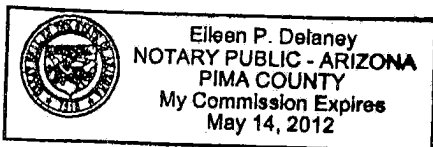
HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2008 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 25405.00



(THE AMOUNT IN THE BOX ABOVE
INCLUDES \$ 1904.00
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

Walter Gene Wilcox
SIGNATURE OF OWNER OR OFFICIAL

520-298-2704

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

11/20

DAY OF March

COUNTY NAME

MONTH

20 09

(SEAL)

MY COMMISSION EXPIRES

See Accountant's Report.

May 14, 2012

Eileen P. Delaney
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

SEP 24 2009

AZ CORP COMM
Director: Utilities

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

(COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Walter Gene Wilcox	TITLE President
COMPANY NAME Halcyon Acres Annex #2 Water Company, Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2008

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01 ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2008 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

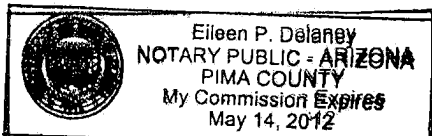
\$ 25405.00

(THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 1904.00

IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.



SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 11/12 DAY OF

(SEAL)

MY COMMISSION EXPIRES MAY 14, 2012

See Accountants' Report.

Walter Gene Wilcox
SIGNATURE OF OWNER OR OFFICIAL

520-298-2704

TELEPHONE NUMBER

NOTARY PUBLIC NAME EILEEN P. DELANEY	
COUNTY NAME PIMA	
MONTH MARCH	2009

Eileen P. Delaney
SIGNATURE OF NOTARY PUBLIC

HOLM, HESTAND & VALENZUELA, CPAs, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
3131 NORTH COUNTRY CLUB ROAD, SUITE 109
TUCSON, ARIZONA 85716

DOUGLAS R. HOLM, CPA
EMMA K. HESTAND, CPA
JANETTE G. VALENZUELA, CPA

TELEPHONE: (520) 326-8483
FAX: (520) 795-5191
E-MAIL: HHVCPA@EARTHLINK.NET

COMPILATION ENGAGEMENT REPORT

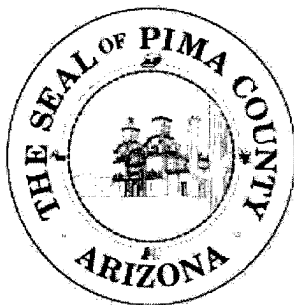
We have compiled the balance sheets of Halcyon Acres Annex #2 Water Co., Inc. as of December 31, 2008 and 2007, and the related statements of income and expense for the years then ended, included in the accompanying prescribed form in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission--Utilities Division information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and the supplementary information are presented in accordance with the requirements of Arizona Corporation Commission--Utilities Division which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Holm, Hestand, Valenzuela CPAs P.C.

March 9, 2009



Beth Ford Pima County Treasurer

Parcel: 134030490 6 **Total Taxes:** \$299.36 **Tax Year:** 2008 **As of Date:** 09/11/2009

CAUTION:

Interest information MAY NOT be accurate for tax years prior to 2009.

Please contact our delinquent tax department at (520) 740-8341 for verification.

CURRENT STATUS

	First Half	Second Half
Tax Due:	\$0.00	\$149.68
Date Paid:	10/16/2008	
Method:	CK	
Tax Paid:	\$149.68	\$0.00
Paid By:	01	
Trans Type:		
Interest Paid:	\$0.00	\$0.00

PARCEL INFORMATION

Area Code: 0100

Taxpayer Name/Address:

HALCYON ACRES ANNEX #2 WATER CO
ATTN: WALTER G WILCOX
8715 E 20TH ST
TUCSON AZ 85710-6201

Property Address:

TAX DUE SUMMARY

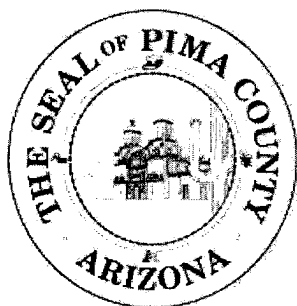
	First Half	Second Half	Total Year
Taxes:	\$0.00	\$149.68	\$149.68
Interest:	\$0.00	\$9.98	\$9.98
	\$0.00	\$159.66	\$159.66
NSF Fees			\$0.00
Reclaimed Refunds			\$0.00
TOTAL AMOUNT DUE			\$159.66

Legal Description:

HALCYON ACRES ANNEX NO 2 LOT 80
TOTAL VALUE OF OPERATING PROPERTY-
TAXPAYER
GROUP NO 117

HISTORY TAX ROLL CHANGE

2007 \$335.61
2006 \$359.07
2005 \$395.35
2004 \$409.19
2003 \$424.68



Beth Ford

Pima County Treasurer

Parcel: 911701000 1 **Total Taxes:** \$804.88 **Tax Year:** 2008 **As of Date:** 09/11/2009

CAUTION:

Interest information MAY NOT be accurate for tax years prior to 2009.

Please contact our delinquent tax department at (520) 740-8341 for verification.

CURRENT STATUS

First Half Second Half

Tax Due: \$0.00 \$402.44

Date Paid: 10/16/2008

Method: CK

Tax Paid: \$402.44 \$0.00

Paid By: 01

Trans Type:

Interest Paid: \$0.00 \$0.00

PARCEL INFORMATION

Area Code: 0100

Taxpayer Name/Address:

HALCYON ACRES ANNEX #2 WATER CO

ATTN: WALTER G WILCOX

8715 E 20TH ST

TUCSON AZ 85710-6201

Property Address:

TAX DUE SUMMARY

First Half Second Half Total Year

Taxes: \$0.00 \$402.44 \$402.44

Interest: \$0.00 \$26.83 \$26.83

\$0.00 \$429.27 \$429.27

NSF Fees \$0.00

Reclaimed Refunds \$0.00

TOTAL AMOUNT DUE \$429.27

Legal Description:

TOTAL VALUE OF OPERATING PROPERTY

TAXPAYER GROUP NO 117

HISTORY TAX ROLL CHANGE

2007 \$837.69

2006 \$794.79

2005 \$802.43

2004 \$870.74

2003 \$783.42